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December 1, 2014

Mrs. Victoria Rutson
Director, Office of Environmental Analysis
Surface Transportation Board
395 E. Street, S.W.
Washington, D.C. 20423

Re: Docket No. FD-35523, *CSX Transportation, Inc. –Joint Use—Louisville & Indiana Railroad Company, Inc.*

Dear Mrs. Rutson:

CSX Transportation, Inc. (“CSXT”) and the Louisville & Indiana Railroad Company, Inc. (“L&I” and together with CSXT “Applicants”) are submitting these comments in response to the Supplemental Environmental Assessment (the “SEA”) served October 31, 2014 by the Office of Environmental Assessment. As requested, Applicants’ comments address the mitigation measures contained in Section 4.0 of the SEA relating to proposed (1) upgrades to two potential siding extensions and replacement of the Flatrock River Bridge within the approximately 106.5-mile line of railroad owned by L&I between L&I Mile Post 4.0± near Indianapolis, IN and the connection between the Parties at L&I Mile Post 110.50± at Eleventh Street in Louisville, KY, and (2) changes in train operations on the Indianapolis Line Subdivision, Indianapolis Terminal Subdivision – Louisville Secondary Branch, and Louisville Connection owned by CSXT (the “Three Lines”) under the Proposed Transaction. For the convenience of OEA, a redline of the Section 4.0 is attached containing the changes proposed by Applicants. Applicants’ rationale for the proposed changes to the mitigation measures are identified by the mitigation number, e.g., VM 3 or MM 1. Applicants accept the mitigation measures as presented in the SEA where there are no comments.

VM 3. Applicants’ proposed change to VM 3 is for clarity. In addition, Applicants propose to modify the condition to limit staging areas as required in the permits issued by the United States Army Corps of engineers (“USACE”), the expert agency, in lieu of the arbitrary 50-foot limit proposed by the SEA.

VM 13. This change is for clarity.

VM 21. Applicants agree that those utilities with a contractual right to be on L&I's property should be notified of construction and Applicants will coordinate construction activities with those utilities that have a contractual right to use L&I property to minimize damage to those utilities. L&I is easily able to identify those utilities and their location on the L&I property where the utilities have a contractual right to use L&I property. However, L&I should not be burdened by seeking out any utilities that have installed their utilities without an agreement to use L&I's property. Moreover, Applicants contend that OEA should not impose conditions that appear to legitimize trespassing on L&I property of any utility that is using the L&I property without an agreement. Trespassers with no right to use L&I property should not be able to avail themselves of the benefits of an Surface Transportation Board ("STB") decision and condition.

VM 23, 24, 25, 26, 27, 28, 29, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, and 54. The proposed mitigation relates to operations over the Three Lines. CSXT owns and maintains the Three Lines. L&I has no ownership interest in the Three Lines and no right to maintain the Three Lines. Indeed, L&I has no right to enter the Three Lines to perform maintenance or any other work on the Three Lines, and therefore does not have the ability to access the property necessary to comply with the proposed mitigation. Therefore, CSXT requests that Operations-related voluntary mitigation that apply only to the Three Lines be made applicable to only CSXT instead of Applicants since that term includes L&I, a party incapable of complying with the conditions over the Three Lines. The language in the relevant voluntary mitigation conditions has been modified in the Attachment to reflect this request.

VM 42. Railroad drainage ditches are meant to carry water away from the tracks, not to retain water. Water retention in railroad drainage ditches would lead to undermining the track structure instead of protecting the track structure from the elements. Proposed VM 42 could result in the undermining of the track structure instead of ensuring its stability. Therefore, CSXT requests that VM 42 be revised to allow compliance with the requirements of the National Pollutant Discharge Elimination System as implemented by the expert agency.

MM 1, 3, 4 and 14. These four mandatory mitigation measures proposed in the SEA contain conditions relating to operations over the Three Lines. For the reasons explained two paragraphs above, Applicants request that these mandatory mitigation measures apply only to CSXT, the owner and operator of the Three Lines. The Attachment has made the necessary revisions.

MM 11. The second paragraph of MM 11 proposes that CSXT complete the Section 106 process under the National Historic Preservation Act, even though there is no justification for the condition in the record in the SEA or justification proposed in the SEA. Before abandoning any portion of or all of any of the Three Lines, CSXT must first obtain abandonment authority from the STB, at which time the historic impacts of such changes will have to be reviewed. Therefore, Applicants request that the proposed mitigation in the second paragraph be deleted, as is done in the Attachment.

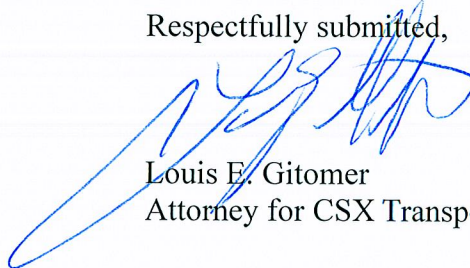
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MM 12. Applicants propose a change to MM 12 to ensure that work on a project can proceed outside of the location where that any unanticipated archaeological sites, human remains, funerary items or associated artifacts are discovered (the "Unanticipated Discoveries") during Transaction-related construction activities. Applicants propose to clarify MM 12 to limit the cessation of work to the immediate vicinity of the Unanticipated Discoveries. There is no justification for stopping work on the south bank of a river if an Unanticipated Discovery occurs on the north bank of the river, where the river is several hundred feet wide. Applicants have revised MM 12 in the Attachment to reflect the requested change.

Since the filing of the Application, several changes have occurred along the L&I Line. CSXT is now operating four trains per day on the L&I Line under the existing trackage rights agreement compared to the two trains originally identified in the Application. The L&I Line consists of 130 pound rail, not 100 pound rail. The Flat Rock River Bridge was modified under the trackage rights to handle tri-level cars. The Columbus Yard limits have been removed by L&I. Therefore, the maximum speed between milepost 37 and milepost 42 (the former yard limits) is now 25 miles per hour and could be increased to 49 miles per hour upon completion of the Upgrade.

Let me know if you have any questions.

Respectfully submitted,



Louis E. Gitomer
Attorney for CSX Transportation, Inc.

Attachment